

No. July 074 /2017

25 July 2017

Subject: Amendment to Opinion of the Company on the Tender Offer of President Rice Products Public Company Limited (Form 250-2) No.2 (Independent Financial Advisor's Opinion)

Attention: Secretary General of the Office of the Securities and Exchange Commission  
President of Stock Exchange of Thailand  
Shareholders of President Rice Products Public Company Limited

Enclosure: (1) Amendment to the Independent Financial Advisor's Opinion on the Tender Offer for the Securities of President Rice Products Public Company Limited No.2

As President Rice Products Public Company Limited (the "**Company**") has received a copy of Announcement of Intention to make a tender offer (Form 247-3) dated 9 June 2017, a copy of Tender Offer Document (Form 247-4) dated 16 June 2017, a copy of Amendment to the Tender Offer for the Securities of President Rice Products Public Company Limited (Form 247-4) No.1, No.2 and No. 3 dated 7 July 2017, 18 July 2017 and 24 July 2017 respectively from Saha Pathana Inter-Holding Public Company Limited (the "**Tender Offeror**"), the Company has submitted the Opinion of the Company on the Tender Offer (Form 250-2) dated 5 July 2017 and the Amendment to Opinion of the Company on the Tender Offer (Form 250-2) No.1 dated 21 July 2017 to the Officer of the Securities and Exchange Commission, the Stock Exchange of Thailand, and shareholders of the Company. The Company would like to inform that the Company has received the Amendment to the Independent Financial Advisor's Opinion on the Tender Offer for the Securities of President Rice Products Public Company Limited No.2 from Grant Thornton Services Co., Ltd.

In this regard, the Company hereby submits the Amendment to the Independent Financial Advisor's Opinion on the Tender Offer for the Securities of President Rice Products Public Company Limited No.2 to the Officer of the Securities and Exchange Commission, the Stock Exchange of Thailand, and shareholders of the Company, details of which are shown in the Enclosure.

Please be informed accordingly.

Sincerely Yours,

- Mr. Pun Paniangvait -

- Ms. Hatairat Kwangchit-Aree -

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(Mr. Pun Paniangvait)

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(Ms. Hatairat Kwangchit-Aree)

Authorized Director

Authorized Director

President Rice Products Public Company Limited



# Grant Thornton

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25 July 2017

Subject Additional information on the Opinion of the Independent Financial Advisor on the Tender Offer for the Securities of President Rice Products Public Company Limited by Saha Pathana Inter-Holding Public Company Limited

To Secretary-General of the Securities and Exchange Commission of Thailand  
President of the Stock Exchange of Thailand  
Shareholders of President Rice Products Public Company Limited

Reference Opinion of the Independent Financial Advisor on the Tender Offer for the Securities of President Rice Products Public Company Limited by Saha Pathana Inter-Holding Public Company Limited dated 26 June 2017

Attachment Amendment to the Independent Financial Advisor's Opinion on the Tender Offer for the Securities of President Rice Products Public Company Limited No.2 - 1 Copy

Grant Thornton Services Limited, as the independent financial advisor, has prepared the Opinion of the Independent Financial Advisor on the Tender Offer for the Securities of President Rice Products Public Company Limited by Saha Pathana Inter-Holding Public Company Limited, as referred to above.

The independent financial advisor hereby submits the Amendment to the Independent Financial Advisor's Opinion on the Tender Offer for the Securities of President Rice Products Public Company Limited No.2 in the attachment. In case of any further inquiry or required information, please contact Mrs. Julaporn Namchaisiri, Managing Director – Corporate Finance at Tel. 0 2205 8103 or Ms. Monvalai Rachatakul, Director – Corporate Finance at Tel. 0 2205 8117.

For your kind consideration.

- *Julaporn Namchaisiri* -

Mrs. Julaporn Namchaisiri

Managing Director, Corporate Finance

Grant Thornton Services Ltd.

- Translation -

*This English language translation of Amendment to the Independent Financial Advisor's Opinion on the Tender Offer of President Rice Products Public Company Limited No.2 (Form 250-2) has been prepared solely for the convenience of the foreign shareholders of President Rice Products Public Company Limited and should not be relied upon as the definitive and official document of the Company. The Thai language version is the definitive and official document of the Amendment to Independent Financial Advisor's Opinion and shall prevail in all respects in the event of any inconsistency with this English language translation.*

### Additional explanation to the Amendment to the Opinion of the Company on the Tender Offer of President Rice Products Public Company Limited

Additional information in underlined and the deleted information in strikethrough

#### Section: The Company

(Please refer to the first Amendment to the Opinion of the Company on the Tender Offer of President Rice Products Public Company Limited)

#### 1. Additional Information in Page 1: Section 1.2 The Business's shareholding structure

##### Original

List of top 10 shareholders on the latest shareholders register book of the Business as at 12 May 2017, which is the book closing date on which shareholders have the right to receive dividend payment, adjusted by the shares acquired by the Tender Offeror, totaling of 49,037,000 shares on 8 June 2017.

Name	No. of shares	Percentage of paid up shares of PR
1. Saha Pathana Inter-Holding Public Company Limited	53,537,000	35.76
2 .Mr. Pipat Paniangvait	24,848,849	16.60
3 .Mr. Wirapat Punsak-udomsin	8,556,750	5.72
4 .Mr. Kamthorn Tatiyakavee	5,951,875	3.98
5 .Mr. Niti Osathanukroa	3,658,750	2.44
6 .Mr. Sa-nguan Tatiyakavee	3,260,000	2.18
7 .Mr. Karmthon Punsak-Udomsin	2,550,938	1.70
8 .Mr. Kraiyong Thanayongpiboon	2,113,312	1.41
9 .STATE STREET BANK EUROPE LIMITED <sup>1</sup>	1,825,100	1.22
10 .Miss Duangta Krairiksh	1,805,000	1.21
<b>Top 10shareholders</b>	<b>108,107,574</b>	<b>72.21</b>
11 .Other shareholders	41,596,440	27.79
<b>Total</b>	<b>149,704,014</b>	<b>100.00</b>

Remark: 1. Due to the lack of information, shareholders of STATE STREET BANK EUROPE LIMITED cannot be disclosed.

In this matter, if all of the offered ordinary shares are tendered for sale by the Offeree, SPI will hold 100.00 per cent of the Company's issued and paid-up shares, representing 100.00 per cent of the total voting rights in the Business.

Nevertheless, some of PR's shareholders have expressed their intention not to accept the Tender Offer during the Offer Period. These shareholders currently hold total of 44,574,437 shares. Therefore, the number of PR

- Translation -

ordinary shares remaining for the Tender Offer is 51,592,577 shares, representing 34.46 percent of the total issued and paid-up shares of PR and 34.46 percent of the total voting rights in PR. In this matter, if all shareholders, except the aforementioned shareholders who have expressed their intention not to accept the Tender Offer, tender their shares, SPI will hold 105,129,577 shares, representing 70.22 percent of the Company's issued and paid-up shares, and 70.22 percent of the total voting rights in the Business

Revision (the IFA's additional comments on the Amendment to the Opinion of the Company)

List of top 10 shareholders on the latest shareholders register book of the Business as at 12 May 2017, which is the book closing date on which shareholders have the right to receive dividend payment, adjusted by the shares acquired by the Tender Offeror, totaling of 49,037,000 shares on 8 June 2017.

Name	No. of shares	Percentage of paid up shares of PR
1. Saha Pathana Inter-Holding Public Company Limited	53,537,000	35.76
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7 .Mr. Karmthon Punsak-Udomsin	2,550,938	1.70
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<b>Top 10shareholders</b>	<b>108,107,574</b>	<b>72.21</b>
11 .Other shareholders	41,596,440	27.79
<b>Total</b>	<b>149,704,014</b>	<b>100.00</b>

Remark: (1) State Street Bank Europe Limited is a foreign company, under the State Street Corporation's group of companies, listed on the New York Stock Exchange. Due to the lack of information, shareholders of State Street Bank Europe Limited cannot be disclosed.

In this matter, if all of the offered ordinary shares are tendered for sale by the Offeree, SPI will hold 100.00 percent of the Company's issued and paid-up shares, representing 100.00 percent of the total voting rights in the Business.

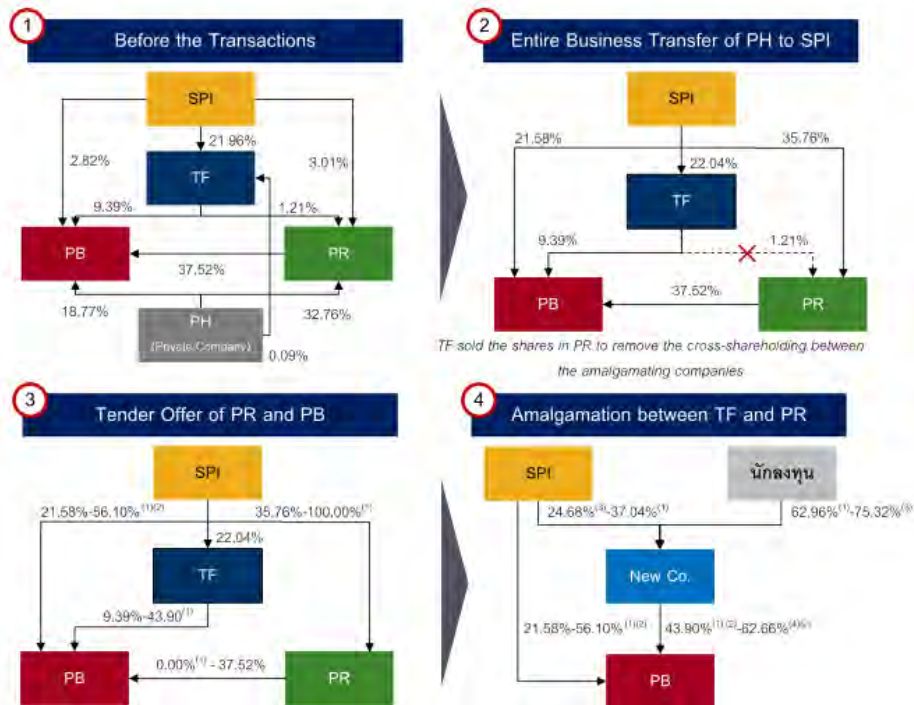
Nevertheless, some of PR's shareholders have expressed their intention not to accept the Tender Offer during the Offer Period. These shareholders currently hold total of 44,574,437 shares. Therefore, the number of PR ordinary shares remaining for the Tender Offer is 51,592,577 shares, representing 34.46 percent of the total issued and paid-up shares of PR and 34.46 percent of the total voting rights in PR. In this matter, if all shareholders, except the aforementioned shareholders who have expressed their intention not to accept the Tender Offer, tender their shares, SPI will hold 105,129,577 shares, representing 70.22 percent of the Company's issued and paid-up shares, and 70.22 per ent of the total voting rights in the Business.

- Translation -

2. Additional Information in Page 14; Section 1.5 Forecast of the Company's future performance; Business Plan after the Takeover

Original

Shareholding structure during each process of restructuring



- (1) In case of all shareholders, except the Tender Offeror(s), sell all of their shares in the Tender Offer
- (2) In case of TF acquires one-half of the number of the ordinary shares being tendered in the Tender Offer for all shares in PB
- (3) In the case of no shareholders accept the Tender Offer
- (4) In the case of all shareholders except PR accept the tender offer

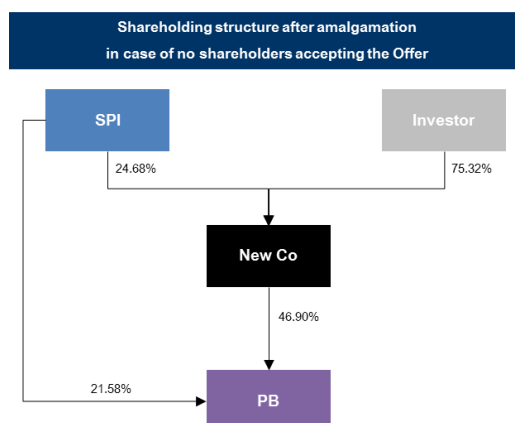
Revision (the IFA's additional comments on the Amendment to the Opinion of the Company)

Shareholding structure during each process of restructuring



- Translation -

**Shareholding structure after amalgamation in case of no shareholders accepting the Offer**



- (1) In case of all shareholders, except the Tender Offeror(s), sell all of their shares in the Tender Offer
- (2) In case of TF acquires one-half of the number of the ordinary shares being tendered in the Tender Offer for all shares in PB
- (3) In the case of no shareholders accept the Tender Offer
- (4) In the case of all shareholders except PR accept the tender offer

**3. Additional Information in Page 10; Section 4.3 Benefit or impact of the business plan and policy as specified in the Tender Offer, and the viability of such plan and policy**

Original

The Business status

SPI has no intention to delist the Business's securities from the SET during the 12 months after the end of the Offer Period, except that SPI has duties and responsibilities pursuant to the relevant laws, regulations, and rules that are enforced at the time, including support of the amalgamation between PR and TF (Amalgamation) in accordance with the procedures and provision of law of the PLCA, resulting in the New Co. which is expected to complete in October 2017.

*Opinion of the Board of Directors of PR*

Since PR will continue to be a listed entity on the SET, PR and the shareholders will not be impacted from the change in the listing status. However, after the Tender Offer, the Company's listed status may be affected by the ability to maintain free-float requirements of listed company. This, however, depends on the number of shareholders who accept the Tender Offer. The free-float requirements for the listed company mandate that the Company must have no less than 150 minority shareholders who hold shares no less than 15 percent of total paid-up capital.

Moreover, the amalgamation of the Company and TF will continue without any effect since SPI has an intention to support the amalgamation with the objective for the New Co to become the flagship company of Saha Group's food-sector businesses and strengthen business competitiveness and increase opportunities for business expansion in the future.

- Translation -

Policies and plans of business operations

SPI does not have policy to make any material changes to PR's policy, including its dividend policy, PR's core business during the 12 months after the end of the Offer Period and intend to continue the operation as conducted prior to the Tender Offer.

However, if necessary, e.g. adjustment organization due to the changes of market and consumer needs, SPI may adjust the business plan, e.g. goods and service, target customer, and marketing policy, or in case where there is any major change in financial performance, the business environment or any other events, SPI may revise or restructure the Business's policy, organization, human resource and capital structure including disposal of operating assets of the Business to improve the Business's operation and financial performance and to avoid any material effects that may impact the operations as well as to increase its efficiency and competitiveness in the future.

In case that SPI decides to make any material changes from what has been stated in the Tender Offer documents, SPI shall obtain relevant approvals from the Board of Director's meeting and/or shareholders' meeting in accordance with the article of association, laws and regulations that are relevant and effective at that time.

*Opinion of the Board of Directors of PR*

SPI does not have policy to make any material changes PR's policy, including its dividend policy, and PR's core business including business plan and/or PR's main business operation during the 12 months after the end of the Offer Period. Moreover, directors of PR do not have any plan to change any of PR's policy and PR's core business after the Tender Offer. Therefore, PR's operation will continue normally. The Board of Directors has opined that PR will not be impacted by the change in policy, business plan, and dividend policy.

Related Party Transaction

Before the Tender Offer

In the past, the Business has prevailing policies and procedures regarding related party transactions in compliance with the rules and regulations stipulated by the SET and the SEC to prevent any conflict of interests between the Business, its subsidiaries, related companies and/or any potential conflicted persons. Details on the connected transactions between the Business and the tender offerors are as follows:

Party/juristic person	Relationship	Transaction Description	Value (THB)		Necessary and Rationale
			Year Ended 31December	Year Ended 31December	
			2016	2017	
PR	A, E, F	Dividend Income	9,180,000	-	Received normal dividend per share amount equal to PR

*- Translation -*

Party/juristic person	Relationship	Transaction Description	Value (THB)		Necessary and Rationale
			Year Ended 31December	Year Ended 31December	
			2016	2017	
					announcement
		Revenue from seminar	-	1,000	Normal business operation with normal conditions

Remark: Relationship

A: Shareholding by SPI/common shareholding

B: Directorship

C: Guaranteed by SPI

D: Loan given by the Company

E: Inter – company trading

F: Shareholders or directors are intimate of SPI's directors

After the Tender Offer

Within the period of 12 months after the end of the Offer Period, the Tender Offeror, or any person connected with the Tender Offeror pursuant to Section 258 of the Securities and Exchange ACT B.E 2535 (as amended) (the "SECA"), has no intention to materially change the Business's current policy regarding connected transactions.

Any current and future related party transactions will be carefully considered and ensured so that terms and conditions of such transactions are similar to those of normal business transactions at an arm's length basis. There would not be any special terms or preference among the Business, its related companies, associate companies and shareholders in accordance with rules and regulations of the SET and the SEC, and to ensure that all related party transactions are conducted at arm's length basis.

*Opinion of the Board of Directors of PR*

Currently, PR has prevailing policies and procedures regarding related party transactions in compliance with the rules and regulations stipulated by the SET and the SEC to prevent any conflict of interests between the Business, related companies and/or any potential conflicted persons. However, PR currently does not have any subsidiaries.

Revision (the IFA's additional comments on the Amendment to the Opinion of the Company)

The Business status

SPI has no intention to delist the Business's securities from the SET during the 12 months after the end of the Offer Period, except that SPI has duties and responsibilities pursuant to the relevant laws, regulations, and rules that are enforced at the time, including support of the amalgamation between PR and TF (Amalgamation) in accordance with the procedures and provision of law of the PLCA, resulting in the New Co. which is expected to complete in October 2017.

*Opinion of the Board of Directors of PR*



- Translation -

Since PR will continue to be a listed entity on the SET, PR and the shareholders will not be impacted from the change in the listing status. However, after the Tender Offer, the Company's listed status may be affected by the ability to maintain free-float requirements of listed company. This, however, depends on the number of shareholders who accept the Tender Offer. The free-float requirements for the listed company mandate that the Company must have no less than 150 minority shareholders who hold shares no less than 15 per cent of total paid-up capital.

Moreover, the amalgamation of the Company and TF will continue without any effect since SPI has an intention to support the amalgamation with the objective for the New Co to become the flagship company of Saha Group's food-sector businesses and strengthen business competitiveness and increase opportunities for business expansion in the future. Revision (the IFA's additional comments on the Amendment to Opinion of the Company)

Policies and plans of business operations

SPI does not have policy to make any material changes to PR's policy, including its dividend policy. In this regard, the Company expects that dividend policy of New Co will be at the minimum of 40% of the net profit which is similar to TF's dividend policy. However, details of New Co, including the structures of the management, organization, the Board of Directors, and dividend policy mentioned above, are subject to the Board of Directors' meeting of TF and PR which will be held in the middle of August 2017. And the resolution of the Board of Directors' meeting will be announced to shareholders accordingly. PR's core business during the 12 months after the end of the Offer Period and intend to continue the operation as conducted prior to the Tender Offer.

However, if necessary, e.g. adjustment organization due to the changes of market and consumer needs, SPI may adjust the business plan, e.g. goods and service, target customer, and marketing policy, or in case where there is any major change in financial performance, the business environment or any other events, SPI may revise or restructure the Business's policy, organization, human resource and capital structure including disposal of operating assets of the Business to improve the Business's operation and financial performance and to avoid any material effects that may impact the operations as well as to increase its efficiency and competitiveness in the future.

In case that SPI decides to make any material changes from what has been stated in the Tender Offer documents, SPI shall obtain relevant approvals from the Board of Director's meeting and/or shareholders' meeting in accordance with the article of association, laws and regulations that are relevant and effective at that time.

*Opinion of the Board of Directors of PR*

SPI does not have policy to make any material changes PR's policy, including its dividend policy, and PR's core business including business plan and/or PR's main business operation during the 12 months after the end of

- Translation -

the Offer Period. Moreover, directors of PR do not have any plan to change any of PR's policy and PR's core business after the Tender Offer. Therefore, PR's operation will continue normally. The Board of Directors has opined that PR will not be impacted by the change in policy, business plan, and dividend policy.

Related Party Transaction

Before the Tender Offer

In the past, the Business has prevailing policies and procedures regarding related party transactions in compliance with the rules and regulations stipulated by the SET and the SEC to prevent any conflict of interests between the Business, its subsidiaries, related companies and/or any potential conflicted persons. Details on the connected transactions between the Business and the tender offerors are as follows:

Party/juristic person	Relationship	Transaction Description	Value (THB)		Necessary and Rationale
			Year Ended 31December	Year Ended 31December	
			2016	2017	
PR	A, E, F	Dividend Income	9,180,000	-	Received normal dividend per share amount equal to PR announcement
		Revenue from seminar	-	1,000	Normal business operation with normal conditions

Remark: Relationship

A: Shareholding by SPI/common shareholding

B: Directorship

C: Guaranteed by SPI

D: Loan given by the Company

E: Inter – company trading

F: Shareholders or directors are intimate of SPI's directors

After the Tender Offer

Within the period of 12 months after the end of the Offer Period, the Tender Offeror, or any person connected with the Tender Offeror pursuant to Section 258 (the "SECA"), has no intention to materially change the Business's current policy regarding connected transactions.

Any current and future related party transactions will be carefully considered and ensured so that terms and conditions of such transactions are similar to those of normal business transactions at an arm's length basis. There would not be any special terms or preference among the Business, its related companies, associate companies and shareholders in accordance with rules and regulations of the SET and the SEC, and to ensure that all related party transactions are conducted at arm's length basis.

*Opinion of the Board of Directors of PR*

Currently, PR has prevailing policies and procedures regarding related party transactions in compliance with the rules and regulations stipulated by the SET and the SEC to prevent any conflict of interests between the

*- Translation -*

Business, related companies and/or any potential conflicted persons. However, PR currently does not have any subsidiaries.

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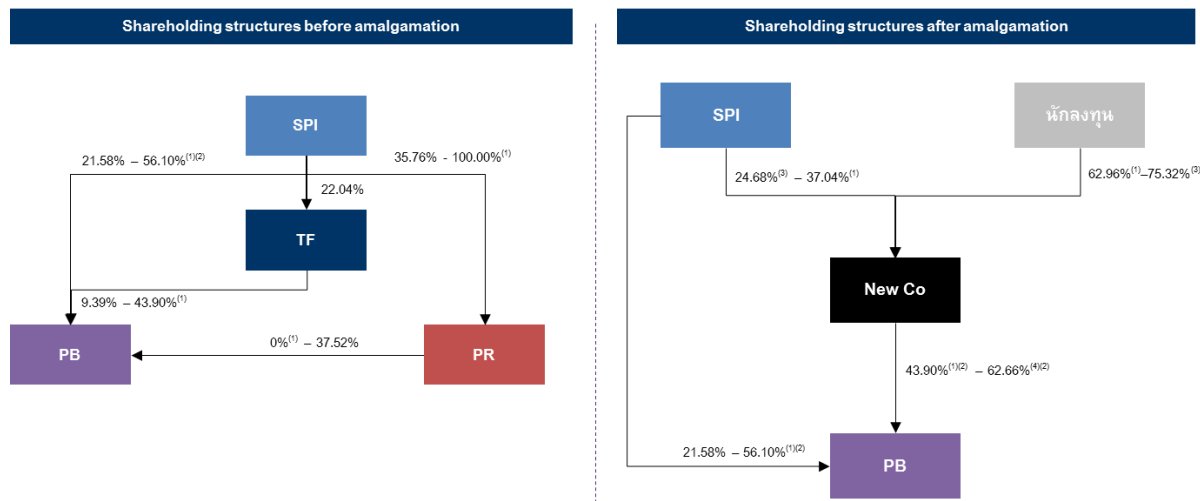
## Amendment to the Independent Financial Advisor's Opinion on the Tender Offer for the Securities of President Rice Products Public Company Limited No.2

Additional information in underlined and the deleted information in strikethrough

### 1. Additional information on page 2 No. 2 Section 3: 3.1 Transaction overview

Original

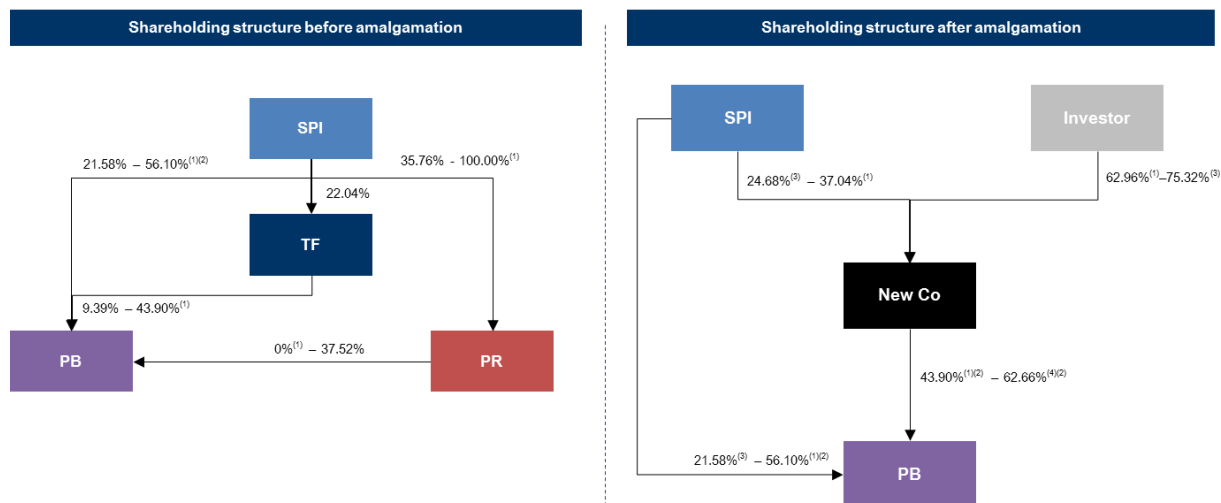
Figure 3-2: Shareholding structure before and after amalgamation



- Remarks: (1) In case of all shareholders, except the Tender Offeror(s), sell all of their shares in the Tender Offer  
 (2) In case of TF acquires one-half of the number of the ordinary shares being tendered in the Tender Offer for all shares in PB  
 (3) In case of none of shareholders accept the Tender Offer  
 (4) In case all shareholders except PR accept the Tender Offer

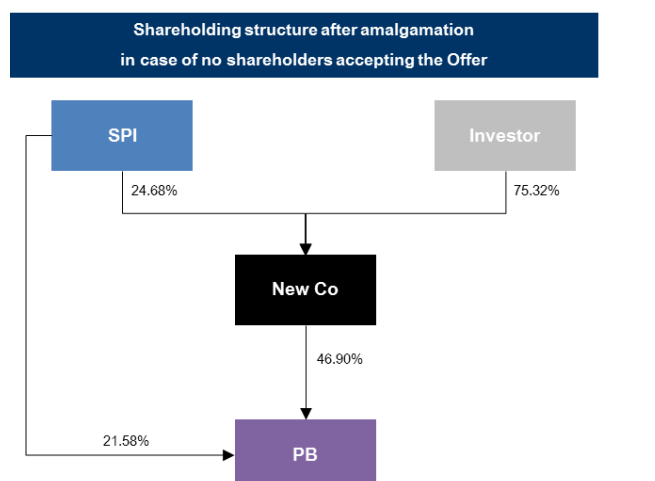
Revision

Figure 3-2: Shareholding structure before and after amalgamation



(to be continued with the shareholding structure after amalgamation in case of no shareholders accepting the Offer in the following page)

- Translation -



- Remarks: (1) In case of all shareholders, except the Tender Offeror(s), sell all of their shares in the Tender Offer  
 (2) In case of TF acquires one-half of the number of the ordinary shares being tendered in the Tender Offer for all shares in PB  
 (3) In case of none of shareholders accept the Tender Offer  
 (4) In case all shareholders except PR accept the Tender Offer

2. Additional information on page 26 No. 12 Section 5: 5.2.5 Sum-of-the-Parts Approach) Valuation for PR excluding other companies

Original

1) Revenue assumptions

PR is mainly engaged in the business of production of instant products which are mainly made from rice. 5 main types of products are Rice Vermicelli, Kua Taew, Kua Chap, Bean Thread, Porridge & Soup & HD & FR and Cup Joke. The assumptions are divided into domestic and international sales.

Table 5-10: Revenue assumptions of PR

	Assumptions
<u>Domestic</u>	
Rice Vermicelli, Kua Teaw, Kua Chup, Bean Thread, Porridge & Soup & HD & FR, Cup Joke	The volume growth is assumed to decrease by 3.6% per year, based on the average historical growth of the total quantity sold of all products in the domestic market. We expect that high competition in the industry will affect market share of PR. Meanwhile, price growth is assumed based on the average 5-year historical growth in price for each product as follow: <ul style="list-style-type: none"> <li>- Rice Vermicelli and Kua Teaw, Kua Chup 1.1% per year or constant for products with fluctuating prices-</li> <li>- Bean Thread – constant</li> <li>- Porridge &amp; Soup &amp; HD &amp; FR, and Cup Joke – constant</li> </ul>
Other products (i.e. sales of 108 Shop – convenient store)	Assumes based on 5-year historical average as a percentage of the product sales to the total main product sales, which is equal to 0.1%.
<u>Overseas markets and other income</u>	
Overseas	Based on high historical growth rates, which had been increasing during the last 5 years, and the potential to expand into international markets where growth potentials remain, the volume growth has

*- Translation -*

	<b>Assumptions</b>
	<p>been considered at 5% per year. The growth in price is based on the 5-year historical growth rate for each product as follows:</p> <ul style="list-style-type: none"> <li>- Rice Vermicelli and Kua Teaw, Kua Chup 0.7%-1.7% per year</li> <li>- Bean Thread 3.6% per year</li> <li>- Porridge &amp; Soup &amp; HD &amp; FR and Cup Joke – constant to 2% per year</li> </ul>
Other income	Based on 5-year historical average proportion of other income to total sales of all products, amounting to approximately 1% of the total sales.

2) Assumption on Expenses

**Table 5-11: Expense assumption of PR**

	<b>Assumptions</b>
<u>Cost of goods sold</u>	
Domestic	Based on the historical 5-year average of the cost of goods sold as a percentage of sales by product – 70%-95.6% of sales
Overseas	Based on the historical 5-year average of the cost of goods sold as a percentage of sales by product – 63.3%-81.9% of sales
<u>Operating expenses</u>	
Selling expenses	The selling expense as a percentage of export sales of 6.5% has considered based on the historical 5-year average.
Administrative expenses	The growth for salary and employee expenses of 8.3% per year has been adopted. For office expense and rental cost, the growth rates of 0.5% and 0.9% have been assumed, respectively, based on the historical 5-year average or as appropriate by excluding outliers in certain years for rent and other expenses.
<u>Other expense and assumptions</u>	
Income tax	20% of net profit, deducting expected tax benefits from BOI incentives.
Capital expenditure	Based on PR's investment plan, the Company plans to invest additional capital of THB 109.63 million for office and building improvement, purchase of equipment, machinery, other equipment as well as computer software over the course of the next 5 years (2017-2021). For maintenance expense, THB 100 Million has been adopted per year during 2017-2021.
Net working capital	The 5-year historical average for each relevant net working capital assumptions have been considered or as appropriate by excluding outliers in certain years (for some items such as other current assets and other advanced payment for asset purchase).

Revision

1) Revenue assumptions

PR is mainly engaged in the business of production of instant products which are mainly made from rice. 5 main types of products are Rice Vermicelli, Kua Taew, Kua Chap, Bean Thread, Porridge & Soup & HD & FR and Cup Joke. The assumptions are divided into domestic and international sales.

- Translation -

Table 5-10: Revenue assumptions of PR

	Assumptions
<b>Domestic</b>	
Rice Vermicelli, Kua Teaw, Kua Chup, Bean Thread, Porridge & Soup & HD & FR, Cup Joke	The volume growth is assumed to decrease by 3.6% per year, based on the average historical growth of the total quantity sold of all products in the domestic market. We expect that high competition in the industry will affect market share of PR. Meanwhile, price growth is assumed based on the average 5-year historical growth in price for each product as follow: <ul style="list-style-type: none"> <li>- Rice Vermicelli and Kua Teaw, Kua Chup 1.1% per year or constant for products with fluctuating prices-</li> <li>- Bean Thread – constant</li> <li>- Porridge &amp; Soup &amp; HD &amp; FR, and Cup Joke – constant</li> </ul>
Other products (i.e. sales of 108 Shop – convenient store)	Assumes based on 5-year historical average as a percentage of the product sales to the total main product sales, which is equal to 0.1%.
<b>Overseas markets and other income</b>	
Overseas	Based on high historical growth rates, which had been increasing during the last 5 years, and the potential to expand into international markets where growth potentials remain, the volume growth has been considered at 5% per year. The growth in price is based on the 5-year historical growth rate for each product as follows: <ul style="list-style-type: none"> <li>- Rice Vermicelli and Kua Teaw, Kua Chup 0.7%-1.7% per year</li> <li>- Bean Thread 3.6% per year</li> <li>- Porridge &amp; Soup &amp; HD &amp; FR and Cup Joke – constant to 2% per year</li> </ul>
Other income	Based on 5-year historical average proportion of other income to total sales of all products, amounting to approximately 1% of the total sales.

2) Assumption on Expenses

Table 5-11: Expense assumption of PR

	Assumptions
<b>Cost of goods sold</b>	
Domestic	Based on the historical 5-year average of the cost of goods sold as a percentage of sales by product – 70%-95.6% of sales
Overseas	Based on the historical 5-year average of the cost of goods sold as a percentage of sales by product – 63.3%-81.9% of sales
<b>Operating expenses</b>	
Selling expenses	The selling expense as a percentage of export sales of 6.5% has considered based on the historical 5-year average.
Administrative expenses	The growth for salary and employee expenses of 8.3% per year has been adopted. For office expense and rental cost, the growth rates of 0.5% and 0.9% have been assumed, respectively, based on the historical 5-year average or as appropriate by and excluding outliers in certain years for rent and other expenses.
<b>Other expense and assumptions</b>	

- Translation -

	Assumptions
Income tax	20% of net profit, deducting expected tax benefits from BOI incentives.
Capital expenditure	Based on PR’s investment plan, the Company plans to invest additional capital of THB 109.63 million for office and building improvement, purchase of equipment, machinery, other equipment as well as computer software over the course of the next 5 years (2017-2021). For maintenance expense, THB 100 Million has been adopted per year during 2017-2021.
Net working capital	The 5-year historical average for each relevant net working capital assumptions have been considered <del>er</del> as appropriate by excluding outliers in certain years (for some items such as other current assets and other advanced payment for asset purchase).

3. Additional information on page 30 No. 13 Section 5: 5.2.5 Sum-of-the-Parts Approach

Original

Discount rate of PR

The IFA has calculated the discount rate used in calculating the present value of cash flows of PR by using the weighted average cost of Capital: WACC as follows:

$$WACC = (D/(D+E) \times K_D \times (1 - T)) + (E/(D+E) \times K_E)$$

where:

D	Value of interest-bearing debt
E	Value of shareholders’ equity
T	Corporate income tax rate
K <sub>D</sub>	Cost of debt
K <sub>E</sub>	Cost of equity calculated using Capital Asset Pricing Model (“CAPM”)

K<sub>E</sub> is calculated under CAPM as follows:

$$K_E = R_F + \beta \times (R_M - R_F)$$

where:

R <sub>F</sub>	Risk free rate based on the historical yield of the 10-year government bond at 2.63%
Beta	Beta ( $\beta$ ) is the average volatility between SET Market return and the comparable companies per table 5-6 Information on comparable companies of PR (Calculated from 2-year from May 2017 with a range of unlevered beta from 0.37 to 1.00) at 0.54 (Source: Bloomberg).
R <sub>M</sub>	Market return calculated from the total return from investing in SET during the past 10 years at 12.02% (Source: Bloomberg).

Based on the above assumptions of discount rate, cost of equity (K<sub>E</sub>) is 7.70%. However, PR has no significant interest-bearing debt. Therefore, WACC is equal to the cost of equity at 7.70%

Revision

Discount rate of PR



- Translation -

The IFA has calculated the discount rate used in calculating the present value of cash flows of PR by using the weighted average cost of Capital: WACC as follows:

$$WACC = (D/(D+E) \times K_D \times (1 - T)) + (E/(D+E) \times K_E)$$

where:

D	Value of interest-bearing debt
E	Value of shareholders' equity
T	Corporate income tax rate
K <sub>D</sub>	Cost of debt
K <sub>E</sub>	Cost of equity calculated using Capital Asset Pricing Model ("CAPM")

K<sub>E</sub> is calculated under CAPM as follows:

$$K_E = R_F + \beta \times (R_M - R_F)$$

where:

R <sub>F</sub>	Risk free rate based on the historical yield of the 10-year government bond at 2.63%
Beta	Beta ( $\beta$ ) is the average volatility between SET Market return and the comparable companies per table 5-6 Information on comparable companies of PR (Calculated from 2-year from May 2017 with a range of unlevered beta from 0.37 to 1.00) at 0.54 (Source: Bloomberg). <u>(In this regard, the IFA has considered that the use of 2-year, weekly data is appropriate since such duration represents suitable amount and frequency of data points for statistical calculation and can reflect a current level of business risk, for example, competition and consumer behaviors, of the chosen listed companies)</u>
R <sub>M</sub>	Market return calculated from the total return from investing in SET during the past 10 years at 12.02% (Source: Bloomberg).

#### 4. Additional information on page 46 No. 25, Appendix 1 Section 9 No. 9.1.1 Weighted Average Market Value Approach

##### Original

PB is a profitable firm with the total revenues in 2016 of THB 7.6 billion or approximately USD 226 million. Accordingly, its illiquidity discount should be close to 20% as shown in the above figure.

Based on the analysis, the IFA concluded that investment valuation of PB should be calculated by discounting from the market price at the ratio between 20% and 40% (including both holding discount and illiquidity discount) to reflect the fair value of investment in PB that is held by PR. The calculation is as follows:

##### Revision

PB is a profitable firm with the total revenues in 2016 of THB 7.6 billion or approximately USD 226 million. Accordingly, its illiquidity discount should be close to 20% as shown in the above figure.

Additionally, the IFA has further considered the holding discount of PR, observed from the market capitalization of PR and PB, as well as the fair value of PR determined by the IFA as follow:

- Translation -

	(THB Million)
<b>Valuation of the investment in PB based on PR's market capitalization</b>	
PR's market capitalization as of 15 June 2017	9,095
Less: the fair value of PR (excluding investment in associated companies)	(2,314)
Less: the fair value of investment in TIP	(30)
<b>Value of investment in PB (implied from PR's market capitalization) (A)</b>	<b>6,751</b>
<b>Valuation of the investment in PB implied from PB's market capitalization</b>	
PB's market capitalization	28,674
Portion of PR's holding stake in PB	37.52%
<b>Value of investment in PB (implied from PB's market capitalization) (B)</b>	<b>10,757</b>
<b>Holding discount calculation</b>	
Difference between 2 methods (B - A= C)	4,006
<b>Implied holding discount (C/B)</b>	<b>37%</b>

From the above calculation, the implied holding discount of PR is 37%, which is higher the holding discounts of INTUCH and ABICO used in the earlier example, with the average discount of approximately 17% and 19%, respectively. The IFA has considered that reasons for PR's higher holding discount than the other two examples could be due to various factors, including news and information, speculation, supply and demand of investors as well as market conditions.

However, the IFA views that one of the factors affecting the percentage of holding discount is the liquidity of a security on the Stock Exchange. That is, if the liquidity of PB's stock was to improve and be in line with the liquidity of the two comparable stocks, mentioned earlier, in the future, the holding discount of PR should accordingly be in line with their holding discounts (roughly 20%).

That said, currently PB's liquidity remains low and shows no sign of improvement in the foreseeable future. As such, the holding discount of PR should, as a result, be higher than those of the comparable companies, with better liquidity. Such holding discount of PR is in line with differences between the market capitalizations of PR and PB, reflecting investors' sentiment. Hence, the long-term holding discount of PR should, accordingly, be within the range of 20% to 40%.

The IFA has sensitized the fair price per share of PR in various scenarios should the holding discount become 0%, 10%, 20%, 30% and 40% as follow:

- Translation -

THB Million	Case 1	Case 2	Case 3	Case 4	Case5
<b>Holding discount (%)</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>	<b>40%</b>
Valuation of the investment in PR					
Fair value of PR (excluding associated companies) (DCF)	2,314	2,314	2,314	2,314	2,314
Investment in PB (Market Price)	10,757	10,757	10,757	10,757	10,757
Holding discount (%)	0%	10%	20%	30%	40%
Fair value of investment in PB (Adjusted market price)	10,757	9,681	8,606	7,530	6,454
Fair value of investment in TIP (Book value)	30	30	30	30	30
<b>Total fair value</b>	<b>13,101</b>	<b>12,025</b>	<b>10,949</b>	<b>9,873</b>	<b>8,798</b>
No. of PR's shares (million shares)	149.7	149.7	149.7	149.7	149.7
<b>PR's share price (THB per share)</b>	<b>87.51</b>	<b>80.32</b>	<b>73.14</b>	<b>65.95</b>	<b>58.77</b>

From the above table, the share price of PR is higher than the tender offer price at THB 53.15 per share in all cases. Therefore, this analysis will not affect the overall IFA's opinion.

Based on the analysis, considering all information presented above, the IFA concluded that investment valuation of PB should be calculated by discounting from the market price at the ratio between 20% and 40% (including both holding discount and illiquidity discount) to reflect the fair value of investment in PB that is held by PR. The calculation is as follows:

Yours faithfully,

- Monvalai Rachatakul -

Monvalai Rachatakul

Supervisor

Grant Thornton Services Ltd.

- Julaporn Namchaisiri -

Julaporn Namchaisiri

Managing Director, Corporate Finance

Grant Thornton Services Ltd.